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MEMORANDUM

TO : EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

FROM : Office of Banking and Foreign Currency *J.K.*
(M/COMP/FO/BFC)

SUBJECT : STATE DEPARTMENT GUIDELINES FOR TRAVEL,
TRANSPORTATION, PER DIEM, AND RELATED COSTS ASSOCIATED
WITH EXCESS AND NEAR-EXCESS CURRENCY DESIGNATED
COUNTRIES

REFERENCE: Office of Management and Budget (OMB) Bulletin A-20
of May 21, 1966 (as amended)

1. Background

The United States Treasury may hold large balances of certain foreign currencies designated as excess and near-excess currencies. Failure to fully utilize these funds in the past has resulted in large losses in value due to devaluations and general loss of purchasing power. Special efforts should be made to see that obligations for goods and services in countries whose currencies are excess or near-excess are made payable in those currencies rather than in U.S. dollars. Payments for travel, transportation, per diem and related costs afford an excellent use of these currencies and every effort should be made to encourage their use.

2. PURPOSE

The information contained in these guidelines is being issued to clarify OMB Circular No. A-20 in the use of US-owned foreign currencies for the payment of transportation, per diem and related travel expenses of employees, uniformed personnel, grantees, employees of contractors or others whose travel is on official government business or in connection with activities financed by the U.S. Government, including travel of dependents where authorized. These guidelines concern the use of US-owned currency of the countries designated as excess and near-excess currency countries. (REF 4 FAM 360, 471.8 and 6 FAM 128.1). The Office of Management and Budget determines on an annual basis which countries are designated as excess or near-excess currency countries.

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Inquiries should be addressed to the Office of Banking and Foreign Currency, U.S. Department of State, Washington, DC 20520, Tel. (703) 875-7145

3. RESCISSION OF PRIOR BULLETINS

These guidelines rescind and supersede State Department Guidelines for Travel, Transportation, Per Diem, and Related Costs Associated with Excess and Near-Excess Currency Designated Countries dated October 1, 1987.

4. DESIGNATION OF EXCESS AND NEAR-EXCESS CURRENCY COUNTRIES

Excess Currencies. This term refers to US-owned foreign currencies in excess of the normal requirements (generally a two-year supply) of U.S. Government agencies within the country involved.

Near-Excess Currencies. This term refers to US-owned foreign currencies which exceed the U.S. Government's immediate needs within the country involved, but are not sufficient to be declared excess.

In some excess or near-excess currency countries the national governments have agreed to allow airlines to convert these foreign currencies to U.S. dollars. In other countries the national governments do not allow this type of conversion. The U.S. Government cannot require local currency payments for these transportation costs. However, local currencies should be utilized to the maximum extent for the payment of in-country per diem, shipments and travel.

5. UTILIZATION OF EXCESS AND NEAR-EXCESS CURRENCIES

Every effort should be made to see that travel related obligations in excess and near-excess currency countries are made payable in the currencies of those countries rather than in U.S. dollars, no matter what appropriation or fund is to be used for payment. This should include transportation and travel related obligations for American contractors, to the extent that the contractor may be expected to require such currencies for necessary expenses in the country involved. If appropriate, provisions should be inserted in contracts requiring that U.S. dollars not be expended for transportation and travel related costs in the country concerned.

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6. PER DIEM AND PERSONAL EXPENSES (all excess and non-excess currency countries)

Agencies should instruct travelers to minimize use of U.S. dollars for travel and per diem expenses in all the excess and near-excess currency countries, whether or not that currency is available for payment of international transportation. If a U.S. dollar travel advance (by cash, Treasury check, or traveler's check) is made to the traveler to include official travel expenses while in these countries, he should be told to convert these U.S. dollars plus any other funds he intends to use for personal expenses into US-owned foreign currency of such countries upon arrival by utilizing the accommodation exchange service provided by the American Embassy or U.S. Consulate or other location listed in the attachment to this document.

Embassy cashiers may exchange US-owned foreign currency of the country where located for U.S. currency, Treasury checks, personal checks, traveler's checks or other negotiable instruments drawn in U.S. dollars. A passport or other adequate identification must be shown when requesting accommodation exchange.

Travelers should be advised to purchase all their local currency needs in the excess and near-excess countries by accommodation exchange prior to paying hotel bills, buying transportation tickets, etc.

Travelers should take a supply of personal or traveler's checks for conversion to local currency by accommodation exchange for official costs and personal expenses while in an excess or near-excess currency country.

7. DELEGATION OF CERTIFYING AUTHORITY

Any agency designating an Embassy for payment of travel and transportation bills which does not have its own authorized certifying officer stationed there, must in accordance with Volume 4, Foreign Affairs Manual, Sec. 068, authorized Department of State certifying officers at the appropriate Embassy to certify vouchers against its appropriations or funds cited on GTRs, GBLs or other documents. With such delegation the carrier bills will be certified and submitted to the U.S. Disbursing Officer (USDO) for payment.

Many agencies have already delegated unlimited certifying authority to Department of State certifying officers at overseas posts, and others have delegated limited authority. Agencies making delegations should forward them in writing to Office of Financial Operations, Department of State, Rosslyn Station, P.O. Box 9487, Arlington, Virginia 22209. Information regarding delegations may be obtained from the Office of Banking and Foreign Currency, Telephone No. (703) 875-7145. Agencies whose activities fall under the provision of this bulletin are encouraged to delegate certifying authority for use in all appropriate excess and near-excess currency countries.

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8. EXCHANGE RATE

For carrier bills presented to embassies for payment in local currency, agencies will be charged the U.S. Dollar equivalent at the rate used by the USDO for official U.S. expenditures prevailing at the time of payment. US-owned foreign currency purchase by travelers offers a rate at least as favorable as the most favorable rate legally available in the country. Under no circumstances should any traveler representing the U.S. Government become involved in black market transactions. To do so subjects the traveler to disciplinary actions. Government per diem rates in foreign countries are related to rates of exchange legally available to U.S. employees in the country.

9. MONTHLY REPORTS

The USDO for each Embassy will render a "Statement of Transactions", SF-1221, monthly to each agency to account for disbursements made on its behalf. Agencies which have not already done so should provide the Office of Financial Operations, Department of State, Washington, D.C. 20520, with the address to which the SF-1221 is to be mailed.

If a department or agency using this service has multiple bureaus or office addresses for receipt of SF-1221's this must be clearly stated and each "bureau" or "office" abbreviated designation should be associated with each address just as it will appear in the "Bill to" space on GTRs, GBLs or other procurement documents. SF-1221's will be prepared and mailed to these separate addresses if the carrier provides the billing separately on Voucher Form SF-1171. Where carriers do not bill separately it will not be feasible for the USDO to provide separate SF-1221's. In this case it will be up to each agency in Washington to distribute these charges to their internal offices and bureaus.

Attachment A

EXCESS AND NEAR-EXCESS CURRENCY COUNTRIES FOR FY 1989

EXCESS CURRENCY COUNTRY

<u>COUNTRY</u>	<u>CURRENCY</u>	<u>EMBASSY</u>
Burma	Kyat	Rangoon

NEAR-EXCESS CURRENCY COUNTRY

<u>COUNTRY</u>	<u>CURRENCY</u>	<u>EMBASSY</u>	<u>CONSULATE</u>
Sudan	Pound	Khartoum	